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SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. SENGWE (Zimbabwe)

later: Mr. STEIN (Germany)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its organizational and substantive sessions of 1996 (continued)

Budget of the International Seabed Authority for 1997

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued)

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (continued)

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622 and A/48/912; A/49/654, A/49/906 and Corr.1 and A/59/936; A/50/684, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009 and A/50/1012; A/51/389 and A/51/646; A/C.5/50/51; A/C.5/51/8)

1. Mrs. RODRIGUEZ ABASCAL (Cuba) said that the critical financial situation of the Organization was having an adverse impact on peacekeeping operations, in particular on troop and equipment contributors. The burden on contributors, particularly developing countries, was increasing to such an extent that their debts to the Organization were frequently much less than the Organization's debts to them.

2. The real solution lay in the payment of assessed contributions in full, on time and without conditions. Her delegation rejected the unilateral decision by the major contributor to reduce its contribution to peacekeeping operations to 25 per cent; that decision made the position of troop contributors even more untenable.

3. The indiscriminate use of gratis personnel by the Department of Peacekeeping Operations, where they accounted for more than 50 per cent of the staff, was disquieting. Such a practice could not be used to resolve the Department's financial difficulties and represented a departure from Article 100 of the Charter. Such staff, who were mostly from developed countries, had a negative impact on geographical and political balance. Her delegation shared the concern expressed regarding their influence on policy-making, the negative impact on the Organization's institutional memory, and the adverse effect on the morale of the regular staff.

4. Member States, in approving a certain level of activities, must be willing to finance those activities through the budget. Should that not occur, the Department of Peacekeeping Operations must adjust its activities to the level of resources allocated to it. The Secretariat should submit an assessment of the Department's real needs in the upcoming report on the support account.

5. In view of the concern expressed previously, she regretted that the report on gratis personnel provided by Governments and other entities (A/51/688) had been issued so late. The Secretariat should freeze the use of gratis personnel at current levels until the General Assembly could take a decision on the basis of the Secretary-General's report.

6. Lastly, her delegation supported the request by Zambia that it should be reclassified from group (c) to group (d) for the assessment of peacekeeping expenditures.

7. Mr. ZEE Yoong Kang (Singapore) said that his delegation welcomed the new procedures on reimbursement for contingent-owned equipment; the new formula would more realistically compensate Member States for their contributions to international peace and security.

8. The current ad hoc system of death and disability benefits, which gave some troop contributors 20 times the amount received by others, was a serious departure from the principle of equal treatment of Member States. It was alarming that more than 70 per cent of fatalities in 1995 had been sustained by contingents from less developed countries. While his delegation was not suggesting that that was due to the current system of benefits, or that troops from developing countries had been deliberately deployed for more dangerous activities, death and disability benefits should not be such as to make it systematically less costly for some contingents to undertake more hazardous operations.

9. The gap between the highest and lowest rates of compensation should be narrowed. He endorsed the position of the Non-Aligned Movement that there should be a uniform scale. While some had argued in favour of giving troop contributors equal real, rather than nominal, compensation, one solution might be to establish a uniform rate, plus a small, variable component, reflecting cost differences between countries. In that regard, option 1 in paragraph 12 of the Secretary-General's report (A/49/906) could serve as an interim measure, pending the establishment of a uniform scale of compensation.

10. The burden of compensation should be borne by the United Nations and not by commercial insurers. Transferring the risks of insurance to private companies would only increase costs to Member States, and the reluctance of commercial insurers to provide coverage for risky peacekeeping operations was a further complication that might delay the start-up phase.

11. His delegation recognized that, at a time of budgetary stringency, the contribution by Member States of gratis personnel was a useful way of ensuring the effective functioning of the Department of Peacekeeping Operations. Nevertheless he shared the concern that gratis personnel should not outnumber personnel funded by the regular budget or the support account to an excessive degree. Due regard should also be given to equitable geographical distribution in the appointment of gratis personnel, especially since they comprised almost all the staff of some units. In addition, of the 115 gratis personnel in the Department of Peacekeeping Operations, only 24 were from developing countries, many of them in junior positions. The appointment of gratis personnel to the Department must be transparent, and all Member States must be invited to provide such personnel at all levels.

12. Lastly, his delegation was concerned over the continued reluctance of the Committee to consider the placement of the Czech Republic and Slovakia in the appropriate peacekeeping groups; that should be done as soon as possible. It also supported a quick decision on the relocation of Zambia to the appropriate group.

13. He hoped that no delegations, least of all those with ample capacity to pay, would attempt to take advantage of the problems faced by those three States to advance their own narrow agendas. There was no link between their placement in appropriate groups and the broader question of reform.

14. Mr. NADEEM (Pakistan) said that the delay in the issuance of the report on gratis personnel (A/51/688) should not prevent its consideration as soon as

possible. The Committee should hold a formal meeting as soon as the Advisory Committee's comments were available.

15. Mr. MOKTEFI (Algeria) said that his delegation was amazed by the information provided in the report. The use of gratis personnel raised issues of policy and equitable geographical distribution, had an impact on the international civil service and the responsibility of Member States, and also had financial implications. The issue must be considered forthwith with a view to devising measures to resolve what was a very serious problem.

16. The CHAIRMAN said that it would be helpful for the Committee to have the comments of the Advisory Committee in accordance with its normal procedure.

17. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that it was important to follow the proper procedure. The report on gratis personnel had not yet even been introduced and the Committee must have a full and proper report from the Advisory Committee, pending which the Committee should defer its consideration of the question.

18. Mr. ZHOU Fei (China) said that his delegation agreed with the representative of Pakistan. The use of gratis personnel gave serious cause for concern. In view of the urgency of the matter, it should be addressed as soon as possible. His delegation supported the request by Zambia that it should be relocated from group (c) to group (d).

19. Mr. SULAIMAN (Nigeria) endorsed the statement made by the representative of Pakistan.

20. Mr. ODAGA-JALOMAYO (Uganda) associated his delegation with the concerns expressed, in particular the statement by the representative of Ireland on behalf of the European Union. The report must be introduced and considered before the end of the regular session.

21. The CHAIRMAN said that he would inform the Chairman of the Advisory Committee of the Fifth Committee's concerns.

22. Mr. MOKTEFI (Algeria) said that his earlier statement had not been intended as calling for a departure from the normal procedure, but merely as a preliminary expression of concern.

23. Mr. NOUR (Egypt) said that the question of gratis personnel was of great interest to his delegation. It must be dealt with quickly, a point that should be borne in mind by the Advisory Committee.

24. Mr. MUCHANGA (Zambia) endorsed the statement made by the representative of Pakistan. The matter was urgent, notwithstanding the need to follow proper procedure.

25. His delegation appreciated the support for its request for relocation from group (c) to group (d), and wished to know how matters would now proceed to ensure that the issue was dealt with at the current session.

26. The CHAIRMAN said that he would provide appropriate clarification at the conclusion of consideration of the item.

27. Mr. FARID (Saudi Arabia) supported the statements made by the representatives of China, Egypt, Pakistan, Uganda and Algeria.

28. Mr. TAKASU (Controller) said that the Secretariat appreciated the concerns of delegations on the use of gratis personnel. Additional information had been circulated. Member States would have an opportunity to address the important policy issues in due course.

29. Ms. DUSCHNER (Canada) said, with respect to the travel of gratis military officers, that her delegation would welcome an explanation of why their travel costs were regarded as a cost of having gratis military officers and not as a normal cost incurred by the Organization if staff members travelled instead.

30. With respect to the report on contingent-owned equipment (A/50/995, annex E), she asked for clarification of how the proposed charges represented greater clarity and consistency with the Phase III Working Group. The proposed amendments seemed to reflect a substantive policy change and, since there was no legislative basis, she questioned how the Secretariat could ensure that they would be reflected in the final version of the text of the agreement.

31. Mr. ODAGA-JALOMAYO (Uganda) said that his delegation would also welcome clarification regarding the travel costs of gratis military officers. Moreover, his delegation had not received answers to its earlier questions.

32. The CHAIRMAN said that answers to the points raised by the representatives of Canada and Uganda would be provided by the Department of Peacekeeping Operations in due course.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its organizational and substantive sessions of 1996 (A/C.5/51/20)

33. The CHAIRMAN drew attention to the text of a draft decision which had been circulated following informal consultations, according to which the Committee would make the following recommendation to the General Assembly:

"The General Assembly,

"Takes note of the estimate of $501,000 under section 13, and of $595,200 under section 14, on the understanding that such additional appropriations, as may be necessary, will be determined in accordance with the procedures for the use and operation of the contingency fund, taking into account the results of the first performance report on the programme budget for the biennium 1996-1997".

34. Mr. GELBER (United States of America) said that, for reasons well known to the Committee, his delegation could not accept the draft decision. It urged that all matters connected with additional appropriations should be taken up

together when all the statements of programme budget implications and the first performance report were available. The Committee must remain within the terms of resolution 50/215 and the appropriations of $2,608 million for the biennium.

35. Mr. ODAGA-JALOMAYO (Uganda) said that resolution 50/215 should not be viewed in isolation but in conjunction with resolution 50/214; both those texts endorsed resolution 41/213 on the budgetary procedures to be followed. The draft decision was consistent with those procedures and had his delegation's support.

36. Mrs. RODRÍGUEZ ABASCAL (Cuba) said that her delegation fully supported the Ugandan position. On the matter under discussion, it had already stated that the budgetary procedures had not been strictly followed. It had differed from the recommendation of the Advisory Committee because it believed that it was not necessary to await the performance report before deciding to use the contingency fund. Having listened to the comments of the representative of the United States, her delegation drew attention to what had been stated at the previous meeting about the Committee's approval of resolutions adopted by other committees. The President of the General Assembly had also urged all the Main Committees to complete their work by 17 December; if the Committee were to delay taking a decision, it might disrupt the work of the General Assembly. Her delegation would like to know when the Secretariat intended to submit the first performance report on the programme budget for the biennium 1996-1997. She believed, however, that the Committee was already in a position to adopt the draft decision.

37. Ms. PEÑA (Mexico) said that her delegation had no problem with the adoption of the draft decision. It would be strange if the Committee could not proceed to adopt a draft decision which only "took note" of the estimates. Her delegation was also concerned about the comment made by the Controller at the previous meeting concerning the difference between revised estimates for the Economic and Social Council and statements of programme budget implications. It would be paradoxical if, at a time when efforts were being made to improve the efficiency of the General Assembly, the attitude of a few delegations caused it to waste even more time. Her delegation was ready to consider any compromise solution which respected the financial procedures adopted by the General Assembly in resolutions 41/213 and 42/211.

38. The CHAIRMAN said that the issues were clear with respect to the established procedure outlined by the Controller at the previous meeting, and to the difference between revised estimates and statements of programme budget implications. The Committee might make matters more difficult for itself if it created linkages to other items.

39. Mr. NOUR (Egypt) said that his delegation supported the draft decision and saw no reason to delay its adoption. The representatives of the European Union and the Group of 77 had stressed the importance of the General Assembly resolutions on financial procedures at the previous meeting, and his delegation had occasion to express the same concerns as the representative of Mexico regarding the efficiency of the Committee's deliberations.

40. Mr. HANSON (Canada) said that his delegation agreed with the Controller as to the difference between revised estimates and programme budget implications.

It should be remembered that the Economic and Social Council was not waiting on action by the Committee, for it had already adopted its decisions. The draft decision only "took note" of the resulting revised estimates, and any decision on additional appropriations would be taken later. His delegation therefore had no objection to the adoption of the draft decision.

41. Mr. ZHOU Fei (China) said that, like most other delegations, his delegation had no problem in adopting the draft decision.

42. Mr. KELLY (Ireland) said that the States members of the European Union would have no difficulty in adopting the draft decision immediately.

43. Mr. GELBER (United States of America) said that the adoption of the draft decision might or might not result in an overrun of the approved expenditure level of $2,608 million. Other Governments took a different view from his own concerning that figure. However, his delegation would have been remiss if it had not drawn attention to the possible result of the draft decision. If the Committee proceeded to adopt it, his delegation would not join in the consensus but would not go beyond dissociating itself from the consensus.

44. Mr. JONAH (Sierra Leone) said that, in view of the comments of the representative of the United States, he wished to make it clear that his delegation supported the draft decision.

45. Mr. STEIN (Germany) said that, as coordinator of the informal consultations on the item, he was concerned about the developments in the Committee. It must be remembered that the programme budget was a very complex issue and that many difficulties would be encountered before the end of the session. He would not like to see the emergence of a climate which would make the Committee's task even more difficult. He would, of course, prefer a decision to be taken immediately, but, as the representative of Canada had pointed out, no other body was waiting on action by the Committee. Since there was still a chance of a full consensus which would include the United States delegation, he suggested that the adoption of the draft decision should be deferred.

46. Mr. ODAGA-JALOMAYO (Uganda) said that he would like to know whether the General Assembly had already approved the decisions adopted by the Economic and Social Council.

47. Mr. TOYA (Japan) said that his delegation supported the suggestion made by the representative of Germany.

48. Ms. PEÑA (Mexico) said that she really did not understand why the Committee could not proceed to adopt a decision which merely "took note" of some estimates. The United States delegation had not said that it was against the use of the contingency fund but just that the appropriation for the biennium should not be exceeded. Her delegation would be grateful if the representative of the United States could throw more light on the intention behind his comments.

49. Mr. JONAH (Sierra Leone) said that he understood the point made by the representative of Germany, but felt it would be dangerous if one or two members of the Committee were allowed to delay the taking of decisions.

50. Mr. ACAKPO-SATCHIVI (Secretary of the Committee), responding to the question put by the representative of Uganda, said that the Economic and Social Council was a principal organ of the United Nations under the Charter. Its decisions were therefore final unless the Council decided otherwise.

51. Mr. ODAGA-JALOMAYO (Uganda) said that the outcome of the discussion was thus a foregone conclusion, for the figures had already been decided. The Committee was wasting time pursuing the matter and discrediting its role as the Organization's financial watchdog.

52. Mrs. RODRIGUEZ ABASCAL (Cuba) said that, since the Committee could not challenge the decisions of the Economic and Social Council, it should approve the resulting revised estimates. Her delegation supported the position of Sierra Leone. It must, after all, be remembered that the delegation which objected to adoption of the draft decision was a member of the Council.

53. Mr. RONNEBERG (Marshall Islands) said that his delegation supported the point made by the representative of Sierra Leone. It was surprising that a very large delegation with many representatives at all meetings could not keep in mind the overall picture with respect to the programme budget implications of decisions taken by other bodies. The draft decision could be adopted immediately.

54. Mr. IRAGORRI (Colombia) said that his delegation could accept deferral of the draft decision but saw no reason why it could not be adopted at once since such a move would be in accordance with the established financial procedures. The Committee must be clear about the position of the United States: the approved programme budget of $2,608 million must not be changed by a single dollar. That position would not alter even if the Committee deferred consideration of the draft decision. On the broader issue, the Committee could either decide to approve additional appropriations or not. But, in the latter case, it must not continue to shift the burden of absorption of additional activities onto the Secretariat. It should instead indicate which programmes were to be cut. The Secretariat could not continue to take on new activities unless the appropriate resources were provided.

55. Mr. MARCONDES DE CARVALHO (Brazil) said it was his understanding that the United States delegation was not going to block a consensus. A decision could therefore be taken immediately.

56. The CHAIRMAN suggested that the Committee should adopt the draft decision by consensus.

57. It was so decided.

Budget of the International Seabed Authority for 1997 (A/51/7/Add.2; A/C.5/51/21)

58. Mr. GELBER (United States of America) said that, in the view of his delegation, the item under consideration should be discussed in informal meetings as clarification was required on certain matters, in particular concerning the details of the financial arrangements to be made on behalf of the International Seabed Authority for 1997.

59. Mrs. MONTEITH (Jamaica) said that when, in December 1995, the General Assembly had adopted the programme budget for the biennium 1996-1997, it had also adopted, as an integral part of that budget, the funding provisions for the International Seabed Authority for 1996. At that time, because the organizational structure of the Authority was not yet in place, the provisions for 1997 had not yet been determined. However, in March 1996 the Secretary-General and the Council of the Authority had been elected, thus paving the way for the Assembly of the Authority to adopt its budget for 1997, which had been submitted to it on the recommendation of its Finance Committee.

60. The proposed budget for 1997 was a modest one which took into account the Authority's status as an autonomous international organization as well as the prevailing financial situation of the United Nations.

61. The General Assembly had decided to fund the expenses of the International Seabed Authority for 1997, as it had done for 1996. Her delegation noted that the budget of the Authority had been subjected to intense scrutiny by ACABQ, trusted that the Committee would agree to approve the budget for 1997 and hoped that the administrative expenses of the Authority could be funded from the contingency fund for the biennium 1996-1997.

62. Mr. RONNEBERG (Marshall Islands), speaking also on behalf of Samoa, said that his delegation supported the statement made by the representative of Jamaica, as well as the budget submitted by the Secretary-General for the International Seabed Authority for 1997, which had been recommended by ACABQ for approval. He noted that 1997 would be a critical year for the Authority and would be the last year in which its budget would be funded by the United Nations. In an attempt to accommodate the financial crisis facing the United Nations, the original budget proposals had been reduced. His delegation would be concerned if the procedures for the approval of the Authority's budget were delayed; that would send a negative signal to a new organization that the States Members of the United Nations were committed to supporting.

63. Mr. ATIYANTO (Indonesia) supported the statement made by the representative of Jamaica.

64. Mr. TOYA (Japan) noted that the conference-servicing costs of the International Seabed Authority would be absorbed within the existing conference services budget for the biennium 1996-1997. His delegation had also noted that the original budget proposals had been substantially reduced through postponement of certain activities and the reduction in the number of posts, and it felt that the budget should be given high priority by the Committee.

65. Mr. ALOM (Bangladesh) agreed with the statement made by the representative of Jamaica, supported by the representative of Indonesia, and with the statement made on behalf of the Group of 77 and China. His delegation endorsed the budget proposals for the International Seabed Authority. While having no objection to more substantive discussion, as suggested by the representative of the United States, his delegation would participate in informal discussions in the expectation that, once the necessary clarifications had been provided, the budget for the Authority would be approved as proposed.

66. Mrs. ARAGON (Philippines) said that her delegation endorsed the statement made by the representative of Jamaica and supported the budget proposals as recommended by ACABQ.

67. Mrs. RODRIGUEZ ABASCAL (Cuba) said that her delegation also supported the statement made by the representative of Jamaica.

68. Ms. ACHOURI (Tunisia) said that her delegation noted that the conference services of the Authority would be covered from the resources available under section 26E of the programme budget and supported the recommendation made by the Advisory Committee in paragraph 15 of its report (A/51/7/Add.2)

69. Ms. RIECK (Germany) said that her delegation attached great importance to the early complete establishment of the International Seabed Authority. The budget of the Authority, as revised by the Finance Committee of the Authority and adopted by its Assembly, was a significant step in that direction and her delegation therefore supported the approval of the budget for 1997 as recommended by the Advisory Committee. Her delegation also supported the decision contained in General Assembly resolution 48/263, in accordance with which the administrative expenses of the Authority were to be met from the budget of the United Nations until the end of 1997.

70. Mr. OKALA (Kenya) said that his delegation fully supported the statement made by the representative of Jamaica. The budget of the International Seabed Authority had been the subject of extensive discussions, first within the Authority itself and subsequently in the Advisory Committee. When the Authority had met in Jamaica in August 1996, great difficulty had been experienced in electing the Finance Committee, which was to be responsible for preparing the Authority's budget and submitting it to its Council and subsequently its Assembly. Those difficulties had reflected many concerns of a political nature within the membership of the Authority. It had been feared, in particular, that the Finance Committee might end up as a political body that would examine the budget of the Authority primarily in the light of political concerns. Those fears had not materialized. The Finance Committee, as a technical body, had studied the budget in great detail in deciding which parts of it were consistent with the Authority's programme of activities. As a result, certain items which had been considered as important by the Secretary-General of the Authority had been removed from the budget because they had not been seen as realistic. After the budget had been examined by the Finance Committee, it had been submitted to the Council, which had adopted it unanimously after careful deliberation, taking into account the recommendations of the Finance Committee. The budget had subsequently been submitted to the Assembly of the Authority which, after careful consideration, had adopted it without proposing any amendment. The same budget had finally been considered by ACABQ, which had accepted the recommendations that had emerged from the process of consultation, which had included the Finance Committee, the Council and the Assembly of the International Seabed Authority, on the basis that the budget represented a modest attempt to enable the Authority to begin its programme of activities, taking into account the fact that that would be the last time that the Authority would look to the United Nations for financial assistance in connection with its budget.

71. His delegation accepted the recommendation of the Advisory Committee that the budget should be approved, bearing in mind, in particular, the fact that the United Nations, which had previously been responsible for financing the activities of the entire law of the sea system, would be relieved of that burden. In future, responsibility would pass to the Authority, whose costs would be met either through the assessment of its members or, when seabed mining subsequently began, through revenues derived from that activity.

72. Mr. HANSEN-HALL (Ghana) said that his delegation was particularly pleased that the International Seabed Authority was so close to coming into existence as an independent organization. His delegation fully supported the statements made by the representatives of Jamaica and Kenya and endorsed the recommendation of the Advisory Committee that the budget should be approved, together with the suggestion that it should be funded from the contingency fund.

73. Mr. ZHOU Fei (China) said that his delegation hoped that the budget of the International Seabed Authority would be approved as soon as possible, particularly in view of the importance of the first year of its activities and bearing in mind also that it was a reduced budget that took into account the financial situation of the United Nations. His delegation agreed with the representative of Jamaica that the budget should be funded from the contingency fund.

74. Mr. IRAGORRI (Colombia) said that his country, as a member of the Group of 77, fully supported the statement made by the representative of Costa Rica on behalf of the Group of 77 and China, which was fully in keeping with the statement made by the representative of Jamaica. His delegation had also listened with interest to the statement made by the representative of Kenya concerning, in particular, the detailed process whereby the budget of the Authority had been discussed prior to its submission to the General Assembly. His delegation therefore joined those delegations that were in favour of approving the budget and using the contingency fund for that purpose.

75. Mr. NOUR (Egypt) said that his delegation supported previous speakers who had been in favour of the recommendations of the Advisory Committee.

76. Ms. PEÑA (Mexico) said that, having heard the detailed procedures that had contributed to the preparation of the budget of the International Seabed Authority and the efforts that had been made to reduce it substantially, her delegation supported the adoption of the budget as recommended by the Advisory Committee, and was in favour of using the contingency fund, as necessary, for that purpose.

77. Mr. ARMITAGE (Australia) said that his delegation agreed with the recommendations of ACABQ but noted that the representative of the United States of America had made a request for informal consultations in view of the need for information and clarifications. His delegation supported the request on that basis, particularly as the method of funding the International Seabed Authority for 1997 was a subject that required greater clarity. Nevertheless, his delegation looked forward to an early resolution of any outstanding problems, thus paving the way for approval of the budget of the Authority.

78. Ms. BROOKS (Papua New Guinea) said that her delegation supported the statements made by the representatives of Jamaica and the Marshall Islands. It therefore joined other delegations in supporting the recommendation of the Advisory Committee contained in paragraph 15 of its report.

79. Ms. ALMAO (New Zealand) said that her delegation had been a strong supporter of the International Seabed Authority from the outset and had been pleased when the General Assembly had adopted resolution 48/263, which had enabled the administrative expenses of the Authority to be borne by the regular budget for a limited period. It fully supported the budget proposals which had been reviewed by the Finance Committee and the Assembly of the Authority and had now been approved by ACABQ. Her delegation noted that the means of financing had not specifically been recommended by the Advisory Committee but was a proposal from the Secretary-General. Her delegation was willing to work with other delegations to ensure that the question of financing was settled quickly so as to ensure that the Authority could rely on secure funding for 1997.

80. Mr. INNOCENT (Haiti) said that his delegation fully supported the statement made by the representative of Jamaica.

81. Mr. SOAL (South Africa) said that his country placed great importance on the International Seabed Authority and in fact served on its Council. His delegation was in favour of the speedy approval of its budget.

82. Mr. GELBER (United States of America) said that his delegation had asked for informal discussions because further clarification was required as to the relationship between the proposals of the Secretary-General and the budget of the Authority. For example, in the budget proposed by the Authority the sum of $10,000 had been set aside for general temporary assistance, including provision for maternity leave, extended sick leave and peak-workload situations. However, in annex II of document A/C.5/51/21 the amount under that heading had increased to $163,600. He was unable to account for that discrepancy and felt that informal consultations would therefore be useful.

83. Mr. SOMAKIAN (Cyprus) said that his delegation supported the recommendation of the Advisory Committee.

84. Mr. SEYE (Senegal) associated his delegation with those speakers who wished the budget to be adopted without delay and fully supported the statement made by the representative of Jamaica and those made by other delegations to the same effect.

85. Mr. MOKTEFI (Algeria) said that his delegation endorsed the views of other speakers who had expressed firm support for the International Seabed Authority and wanted to see its budget approved without delay in order to enable it to carry out its work on a sound financial basis.

86. Mr. TAKASU (Controller) said that it had been very useful for so many delegations to have the opportunity to participate in the deliberations for decisions relating to the International Seabed Authority.

87. In response to specific questions that had been raised, he said that the budget of the Authority was unlike the budget of the United Nations in that it

was the budget of an independent and autonomous body which had its own decision-making process. The involvement of the General Assembly was on the basis of the resolution it had adopted at its forty-eighth session under which, until certain conditions were met, the regular budget would bear the cost of the Authority. As all the conditions had now been met, the budget currently under discussion for 1997 would be the last one that would involve the regular budget of the United Nations.

88. Attention had been drawn to apparent discrepancies regarding the cost element under general administrative assistance between the paper that had been submitted to the Finance Committee in Geneva and the document currently before the Fifth Committee. He assured the Committee that figures in document A/C.5/51/21 were the result of a decision taken by the Assembly of the Authority on the basis of the recommendations of its Finance Committee. The latter had recommended a reduction in the total budget for $4.15 million. The original proposal submitted by the Secretariat of the Authority to the Finance Committee had included $150,000 as a programme support element to enable the Authority to receive administrative and other support, for example for payroll and accounting. It needed such administrative support because, although it was independent and autonomous, it was a new body. The sum had originally been a separate item in the budget, but the Finance Committee had recommended that the cost should not be presented in that way; on the basis of the Finance Committee's recommendation, the sum of $150,000 had been moved and had been included under general temporary assistance to deal with maternity leave and other matters. The reason for including the provision of $150,000 there had been to enable the Authority to receive the administrative support it needed. That accounted for the apparent increase in the figure to which attention had been drawn.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued) (E/1993/119 and Add.1; A/50/30 and Add.1; A/51/30; A/C.5/50/23; A/C.5/51/24 and A/C.5/51/25 and Corr.1)

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (continued) (A/51/9 and Corr.1 and A/51/644; A/C.5/51/4)

89. Mr. Stein (Germany), Vice-Chairman, took the Chair.

90. Miss MONTAÑO-DURÁN (Bolivia), speaking on behalf also of Argentina, Brazil, Chile, Colombia, Costa Rica (representing the Central American countries), Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela, said that, although her delegation differed as to the appropriateness of some of the recommendations formulated by the International Civil Service Commission (ICSC) in its various reports, there could be no doubt about the seriousness and methodological correctness of the Commission's conclusions.

91. A number of General Assembly resolutions had requested ICSC to consider the competitiveness of the common system as a matter of urgency. As a result, in 1995 the Commission had recommended that the staff in the Professional and higher categories should be awarded a salary increase. An updated net increase of 4.1 per cent was currently being recommended.

92. At the same time there was widespread unease within the common system which transcended the usual level of anxiety felt during periods of staff reductions and budget restrictions. Some organizations had even formulated proposals to withdraw from the common system altogether and set up their own salary scales.

93. For almost 20 years the practice of comparing the remuneration of United Nations staff to that of the United States federal civil service had worked well, until the comparator had decided to ignore the recommendations of its own pay agent, thereby creating a gap between rates of pay in the civil service and rates on the labour market. That gap had grown steadily wider, making it necessary to resort to mechanisms such as preferential rates of remuneration that were competitive with real market rates.

94. Her delegation noted with satisfaction that ICSC had responded to the General Assembly's requests by elaborating a mechanism which mitigated the impact of the ever-widening gap, although it did not solve the problem completely. The Commission had also addressed the issue of whether to make the German civil service the new comparator. A number of technical reasons, and the fact that the German civil service was itself currently undergoing a process of adjustment, had ruled out such a change at the present time.

95. Whatever the General Assembly decided with regard to the proposed salary increase, the Committee should note that there was normally a time lag of 14 months between the base salaries of the United States civil service and those of the common system. That time lag had been extended to 26 months owing to the General Assembly's failure to take a decision in 1995. It was therefore essential to take immediate action in order to maintain some sort of parity between the minimum salary under the common system and that of the comparator.

96. Her delegation had no objection to the Commission's proposal that certain adjustments should be made to common staff assessment rates in order to offset the effect of so-called income inversion, and endorsed the ICSC proposal that pay should be delinked from the base/floor salary.

97. Her delegation took note of the fact that the working group on the operation of the post adjustment system had not been able to reach agreement on any recommendations, but that the Commission had decided that a minimum amount of 20 per cent of net remuneration should be considered as out-of-area expenditures. It should also be remembered that, for various technical reasons and in order to design a methodology which would be safe against legal challenge, the Advisory Committee on Post Adjustment Questions had decided to postpone its recommendation on resolution 50/208 regarding the calculation of post adjustment for staff members serving in Geneva.

98. In addition, her delegation noted that ICSC had completed its cycle of studies on the remuneration of the General Service staff at headquarters and non-headquarters duty stations and, on the basis of the accumulated data, it intended to make recommendations on the methodology to be used. To that end, the Commission was organizing working groups composed of members of the Commission and representatives of both the administrations and the staff. Her delegation trusted that the working groups would yield conclusions acceptable to all the interested parties.

99. Finally, her Government regretted that the staff representatives had not resumed participation in the work of ICSC. Everyone would benefit from their presence, not least the staff themselves, and she therefore exhorted the Commission to take all possible measures to ensure their return.

100. Mr. SHARAF (Coordinating Committee for International Staff Unions and Associations) said that the independence and undivided loyalty of the staff was the source of their entitlements, which must be the United Nations alone. The Coordinating Committee for International Staff Unions and Associations (CCISUA) had therefore deemed it necessary to curb the tendency in the common system towards secondment by Governments to the United Nations or its specialized agencies, and to stop any additional subsidies by Governments to international civil servants.

101. Member States should appreciate the fears that staff felt for the security of their jobs, their families and their future. It was the duty of staff representatives to protect staff interests such as job security and the preservation of entitlements. CCISUA appealed to the Committee to defend those interests, not only out of humanitarian considerations but because of the real importance of the United Nations in its supreme role as guarantor of international peace and security. Staff members served the Organization diligently and enthusiastically, yet over the past 10 years their purchasing power had dwindled by 18 per cent - one fifth of their earnings. The very survival of the international civil service was at stake.

102. In resolution A/50/214, the General Assembly had requested the Secretary-General to present a report containing proposals of possible savings for its consideration and approval. That resolution had been regarded as a mandate which had been translated into directives not only for the ongoing biennium 1996-1997 but also for the proposed programme budget for the biennium 1998-1999. The Under-Secretary-General for Administration and Management had subsequently circulated a letter warning of staff reductions and stating the need to maintain a 6.4 per cent vacancy rate. The abolition of posts was, however, the prerogative of the General Assembly alone, and the General Assembly had requested the halting of any reductions. In the current climate it would be extremely difficult to restore staff morale to its previous level, and the legality of the actions that had been taken would be reviewed by the United Nations Administrative Tribunal. CCISUA had followed with apprehension the efforts of the World Trade Organization to stay out of the common system, with all the serious consequences that such a step would entail.

103. Regarding the conflict between the staff representatives and ICSC, he informed the Committee that the General Assembly had repeatedly called for the establishment of a constructive dialogue in ICSC and for an improvement of the consultation process within its membership. At its forty-first session, the Commission had refused to change its modus operandi, methods or statutes to permit the full participation of other partners in the drafting of projects and decision-making. Lastly, the Commission had insisted on maintaining a comparator which it admitted was far from ideal. At that point, CCISUA had decided to withdraw from the Commission in the summer of 1995. The staff representatives felt that they were powerless to object to decisions affecting their conditions of employment. The controversy had subsequently been

aggravated as a result of sanctions taken against a staff representative. Regrettably, such sanctions had become a recurrent affair.

104. In resolution A/50/208, the General Assembly had called for a resumption of participation by staff representatives in the work of the Commission. CCISUA had decided to send a letter to the Chairman of ICSC proposing the establishment of a tripartite working group composed of representatives of the Administration of the United Nations, the Commission and the staff to prepare a report that would be submitted directly to the General Assembly regarding the methodologies and decision-making process in the work of the Commission, the ultimate objective being to enable all partners to participate in a genuine manner in the drafting of projects and in the decision-making process.

105. CCISUA was apprehensive that, without the intervention of the Fifth Committee, there would be no change of attitude on the part of the Commission. The Coordinating Committee was therefore counting on the Fifth Committee to restore the situation.

106. Mr. DIXON (Federation of International Civil Servants' Associations) said that the Federation of International Civil Servants' Associations (FICSA) hoped that Member States would give serious consideration to the Federation's proposal for a workable alternative to the current consultative process, which it had outlined in document A/C.5/50/23. The statutory role of ICSC as a regulatory body precluded genuine consultation with its partners; the FICSA proposal addressed that structural anomaly.

107. FICSA fully supported a common system of terms and conditions of service within the United Nations organization to ensure that they functioned effectively. In developing recommendations and making decisions on conditions of service, the distinctive needs of the specialized agencies required equal consideration. A functional system should not neglect any of its constituent parts.

108. In recent months, several initiatives taken by the Administration of the United Nations in New York appeared to circumvent the collegiality of the common system. FICSA wished to express serious concern at what could be interpreted as a challenge to the stability of the common system.

109. First, the United Nations Administration had proposed revisions to the Code of Conduct for International Civil Servants without consulting representatives of the specialized agencies and technical programmes. The Code of Conduct, which had been established in 1954 and reaffirmed at the common system level in 1982, was and should remain a common system issue.

110. Second, proposals had been put forward to modify the functioning of the United Nations Administrative Tribunal without any consultation with the International Civil Aviation Organization (ICAO) or the International Maritime Organization (IMO), two specialized agencies that were served by the Tribunal.

111. Third, staff representatives had been penalized for actions taken in full conformity with their representational responsibilities, and had not been given an opportunity to justify their actions to the Administration.

112. Fourth, an implicit decision had been made that the consultative process did not require reform and therefore did not merit discussion; the view had been put forward that the Fifth Committee should limit itself to the priorities set and the needs identified by the Administration of the United Nations in New York.

113. Fifth, the Organization was being downsized solely to cut costs, rather than in line with a clear blueprint for reform. The mandate accorded to the Administration by the General Assembly to make savings had misguidedly been interpreted as an instruction to downsize.

114. While it might be understandable that the current financial constraints had led organizations to look increasingly inward to address their own difficulties, it was important to guard against making decisions from such a protectionist position. A recent example had been the decision of the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to apply a post adjustment index which was at variance with the common system methodology. It was essential to understand that the international civil service as a whole was seeking to respond to the new challenges posed by Member States, rather than have each organization go its own way. Full consultation was required throughout the system, among Member States, representatives of the organizations, and the inter-agency bodies and with the full participation of the staff. The very small international public service would not survive into the twenty-first century unless new channels of communications and collaboration were opened. There was a great deal at stake: helping to resolve world crises, initiating and supporting economic transition, elaborating new approaches to humanitarian and development aid, and ensuring that international civil servants had the tools and institutional and managerial support to carry out the mandates of the various organizations.

115. FICSA wished to work together in full consultation with Member States and the administrations to assist in the development of a common approach to advance the process of change, to achieve greater understanding of points of view and to help the common system move in a mutually acceptable direction. FICSA had submitted its proposals to the Committee, but it was open to consideration of other opinions. In view of the short time available for a full discussion of ways to improve consultation in the common system, FICSA wished to request a meeting early in 1997 with representatives of the Fifth Committee and the administrations to exchange views on issues of mutual concern.

The meeting rose at 1.05 p.m.